



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN, TEXAS 78711

**CRAWFORD C. MARTIN
ATTORNEY GENERAL**

February 16, 1970

**Honorable R. L. Coffman
Administrator
Texas Employment Commission
Austin, Texas 78701**

Opinion No. M-581

**Re: Whether Texas Employment
Commission may insure its
buildings against fire,
flood, and other hazards
with premiums for such
insurance to be paid by the
Comptroller from funds
granted by the U.S. Depart-
ment of Labor for such
purposes.**

Dear Mr. Coffman:

In your request for an opinion you state the following:

**"We have been advised by the Manpower
Administration of the U. S. Department of Labor
that we are being required to insure our build-
ings. The Manpower Department's directive in this
regard reads as follows:**

**'Buildings. Buildings for which
granted funds have been or are being
used to amortize the cost shall be
insured against loss by fire, flood,
tornado, or other causes. Granted
funds may be used to pay the cost of
such insurance. The amount of insurance
should be the replacement cost of the
building. However, where private
financing is involved, granted funds
may not be used for insurance protection
since this is the responsibility of the
lessor.**

**'As an alternative to the purchase
of insurance from a private carrier,
granted funds may be used as contribu-
tions to a State fund to which other
State departments contribute on a pro**

rata share of costs incident to the administration of such fund, provided similar charges are made to other State departments.

'Where the State agency is not amortizing the entire building, granted funds may be used for only the agency's pro rata share of the cost of insurance coverage.

'Insurance costs will be included as maintenance and operation expense rather than in the total cost of the project to be amortized.'

"We have not been insuring any of our buildings in the past because of the policy expressed in Senate Concurrent Resolution No. 3 adopted by the Senate and House August 24, 1921. We have been advised that the State Comptroller will not pay the premiums on such insurance in view of the prohibitions contained in Senate Concurrent Resolution No. 3, although Federally granted funds may be used for this purpose and classified as maintenance and operation expense. Accordingly, our questions to you are as follows:

"(1) Can the Texas Employment Commission insure its buildings for which Federally granted funds have been or are being used to amortize the cost of such buildings against fire, flood, tornado, or other causes?

"(2) If the above question is answered in the affirmative, can the State Comptroller of Public Accounts issue warrants from funds granted to the Texas Employment Commission for this purpose by the U. S. Department of Labor and charge same to maintenance and operation expense of the Texas Employment Commission?"

Senate Concurrent Resolution No. 3, 37th Leg. 2nd C.S. 1921, expressly provides that no insurance policy shall be taken out upon any of the public buildings of the State (with exceptions not applicable) and there are Attorney General Opinions holding that State warrants may not be issued for the payment of insurance premiums in the absence of specific appropriation for that purpose. See Attorney General Opinion No. C-193 (1963). However, the general appropriation bill for the 1970-71 biennium (Sec. 25 of Art. V of House Bill No. 2, Acts 61st Leg. 2nd C.S. 1969) provides as follows:

"Sec. 25. FEDERAL FUNDS APPROPRIATED FOR USE. All funds received from the United States Government by the agencies of the State named in this Act are hereby appropriated to such agencies for the purposes for which the Federal grant, allocation, aid, or payment was made, subject to the provisions of this Act..."

Therefore, in so far as the questions under consideration are concerned, the policy of the State as expressed in Senate Concurrent Resolution No. 3 with reference to insuring those buildings required by Federal law to be insured has been changed by the 69th Legislature, and the quoted enactment expressly appropriates such funds for the designated use. Consequently, we answer both of your questions in the affirmative.

S U M M A R Y

The general appropriation bill for the 1970-71 biennium authorizes the Texas Employment Commission to insure its buildings for which Federally granted funds have or are being used to amortize the costs of such buildings against fire, flood, tornado or other causes, and the State Comptroller of Public Accounts may legally issue warrants from funds granted to Texas Employment Commission for that purpose by the U. S. Department of Labor and charge same to maintenance and operation expense of the Texas Employment Commission.

Very truly yours,


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